

CURRENT MINNESOTA LABOR MARKET CONDITIONS

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Nation

The Nation's economy grew stronger in December as most indicators of economic activity showed solid improvement. Moreover, the strength of the economy in December and the fourth quarter has caused a number of economists who had been predicting a growth recession to forecast strong growth for 1985.

Even with a small rise in the unemployment rate, the employment picture was still quite bright in December. Year end revisions show that the seasonally adjusted unemployment rate rose to 7.2 percent in December from 7.1 percent in November, and compared favorably to 7.3 percent in October and 7.5 percent in the third quarter. Total employment, also seasonally adjusted, rose by 341,000 in December, the largest gain since May. Although the December increase in seasonally adjusted nonfarm payroll employment was somewhat smaller than in the past two months, employment in manufacturing, helped by lower inventories and decreasing imports, posted its biggest advance since March, climbing by a robust 85,000.

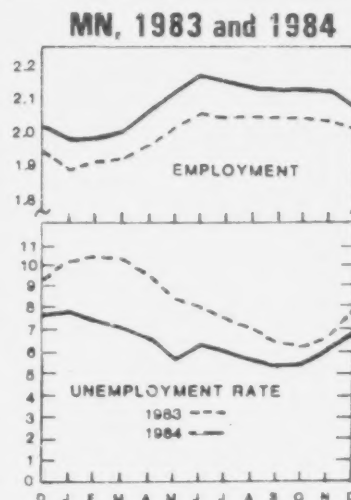
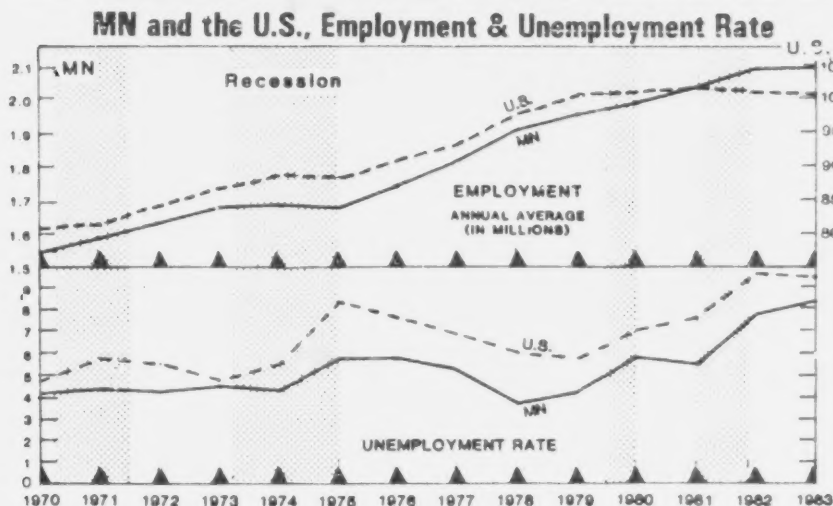
Other reports for December and the fourth quarter also indicated that the economy was quite healthy. Industrial production experienced its strongest increase in five months while personal income and spending continued to show strong growth in December. Also, housing starts rose for the second consecutive month in December. Although retail sales fell by a small 0.1 percent in December, it came after a sharp 2 percent climb in November. Perhaps the most significant development was the larger than expected rise of 3.9 percent in real gross national product in the fourth quarter.

State

The Minnesota economy appeared to be rather weak in December as both seasonally adjusted total employment and nonfarm wage and salary employment declined. However, the seasonally adjusted unemployment rate fell slightly in December due to a larger than average decrease in the labor force.

Minnesota's seasonally adjusted unemployment rate edged down to 6.4 percent in December from 6.5 percent in November. This compared with a 6.4 percent in October and the third quarter and 7.3 percent in December, 1983. Meanwhile, seasonally adjusted total employment fell by 9600 in December after gains of 2300 in November and 12,700 in October. However, December employment was still 69,000 higher than that of a year ago. Much the same situation existed for seasonally adjusted nonfarm payroll employment, which suffered its first monthly decline since the recovery began. The December drop in payroll employment was primarily the result of a large number of layoffs in the taconite mining industry. However, even without the decline in Mining employment, total payroll employment would have shown little growth in December since the services industry was the only sector in which employment grew substantially. Over-the-year, payroll employment rose by 109,200 with the largest gains being in trade (36,000), services (27,900), and manufacturing (22,200).

Labor Force Estimates	MINNESOTA (Numbers in '000's)			UNITED STATES (Numbers in '000,000's)		
	December 1984	Change Last Mo.	From Year Ago	December 1984	Change Last Mo.	From Year Ago
Civilian Labor Force	2227.2	-18.3	52.0	114.0	-0.1	2.2
Employed	2076.2	-32.7	69.0	106.0	-0.2	3.2
Unemployed	151.0	14.4	-17.0	8.0	0.1	-1.0
Unemployment Rate						
Actual	6.8	0.7	-0.9	7.0	0.1	-1.0
Seasonally Adjusted	6.4	-0.1	-0.9	7.2	0.0	-1.0



Minnesota Nonagricultural Wage & Salary Employment, Hours, and Earnings

INDUSTRY	EMPLOYMENT ^{1/} (thousands)			PER CENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS					
						Average Weekly Earnings		Average Hourly Earnings		Average Weekly Hours	
	Dec. 1984	Nov. 1984	Dec. 1983	Nov. 1984	Dec. 1983	Dec. 1984	Nov. 1984	Dec. 1984	Nov. 1984	Dec. 1984	Nov. 1984
TOTAL NONAGRICULTURAL	1866.1	1876.3	1757.1	-0.5	6.2						
MANUFACTURING	372.4	375.4	350.6	-0.8	6.2	395.52	391.95	9.79	9.75	40.4	40.2
Durable Goods	224.8	226.7	209.9	-0.8	7.1	410.27	404.26	9.91	9.86	41.4	41.0
Furniture, Lumber and Wood	16.2	16.6	14.6	-2.2	10.8	394.68	394.35	10.12	10.06	39.0	39.2
Stone, Clay and Glass	8.7	9.5	8.8	-8.8	-1.2	382.70	386.06	10.26	10.35	37.3	37.3
Primary Metals	5.9	5.9	5.6	0.5	5.5	380.30	381.10	9.39	9.25	40.5	41.2
Fabricated Metals	33.9	34.1	33.1	-0.8	2.4	470.22	461.05	11.09	11.03	42.4	41.8
Nonelectrical Machinery	90.7	90.5	83.5	0.2	8.6	430.10	420.84	10.12	10.02	42.5	42.0
Electrical Machinery	26.5	29.0	26.7	-1.8	6.4	338.02	327.18	8.01	7.98	42.2	41.0
Transportation Equipment	7.0	6.9	6.7	0.9	3.7	462.73	470.38	11.15	11.28	41.5	41.7
Other Durable Goods ^{2/}	34.0	34.2	30.9	-0.6	10.3	388.95	382.15	9.58	9.53	40.6	40.1
Nondurable Goods	147.6	148.7	140.7	-0.7	4.9	375.57	375.36	9.63	9.60	39.0	39.1
Food and Kindred	45.4	46.0	43.9	-1.2	3.4	319.99	319.41	8.29	8.19	38.6	39.0
Textile and Apparel	5.2	5.3	4.8	-2.9	8.2	230.76	228.89	6.17	6.12	37.4	37.4
Paper and Allied	33.2	33.6	32.7	-1.3	1.6	492.48	495.35	11.40	11.44	43.2	43.3
Printing and Publishing	41.2	41.2	37.6	0.0	9.4	373.46	378.39	10.52	10.54	35.5	35.9
Chemical and Petroleum	9.5	9.6	9.2	-1.0	3.3	472.37	441.54	11.41	11.15	41.4	39.6
Rubber and Leather	13.2	13.0	12.6	1.5	5.0	311.64	310.01	7.95	7.99	39.2	38.8
NONMANUFACTURING	1493.7	1500.9	1406.5	-0.5	6.2						
Mining and Quarrying	5.5	8.4	7.0	-34.4	-21.4	467.25	500.13	12.46	12.89	37.5	38.8
Metal Mining	3.8	6.3	5.4	-38.9	-29.8	499.26	518.47	13.83	13.90	36.1	37.3
Construction	72.5	82.1	60.2	-11.8	20.4	580.61	577.97	15.36	15.13	37.8	38.2
Building	21.8	22.9	18.7	-5.1	16.8	567.31	558.93	14.29	14.15	39.7	39.5
Highway and Heavy	8.9	14.1	7.2	-37.0	23.7	483.84	516.48	13.44	13.45	36.0	38.4
Special Trades	41.8	45.1	34.4	-7.3	21.7	608.96	608.25	16.37	16.22	37.2	37.5
Transportation	64.2	64.1	60.7	0.2	5.9						
Railroads	9.8	9.9	10.8	-1.0	-9.1						
Trucking and Warehousing	26.7	26.3	24.9	1.3	6.9	408.32	406.35	11.60	11.61	35.2	35.0
Public Utilities	34.2	34.4	34.2	-0.5	-0.2	524.02	526.93	13.30	13.34	39.4	39.5
Communications	19.7	19.6	20.1	0.1	-2.1	484.51	484.51	12.36	12.36	39.2	39.2
Elec., Gas and Sanitary	14.5	14.7	14.2	-1.3	2.5	569.84	574.71	14.39	14.44	39.6	39.8
Trade	481.8	476.6	445.1	1.1	8.2	220.66	218.74	7.38	7.44	29.9	29.4
Retail	366.1	360.3	334.3	1.6	9.5	178.11	175.98	6.43	6.47	27.7	27.2
General Merchandise	59.1	56.2	51.7	5.1	14.3	165.29	160.75	5.82	5.91	28.4	27.2
Food Stores	47.6	46.8	45.0	1.7	5.7	209.96	209.76	7.24	7.36	29.0	28.5
Automotive	36.8	36.4	34.2	1.0	7.5	320.41	325.97	8.95	8.98	35.8	36.3
Eating and Drinking	119.1	119.6	106.5	-0.5	11.8	95.48	92.86	4.38	4.38	21.8	26.2
Wholesale	115.7	116.3	110.8	-0.5	4.5	385.15	381.27	10.03	10.06	38.4	37.9
F.I.R.E.	106.6	106.2	102.1	0.4	4.4						
Finance	48.6	48.4	48.9	0.4	-0.7						
Insurance	38.9	38.6	36.2	0.7	7.5						
Real Estate	19.2	19.3	17.0	-0.5	12.9						
Service Industries	428.6	426.7	401.2	0.4	6.8						
Hotel and Lodging	23.1	23.1	20.9	-0.2	10.4						
Business Services	73.7	73.0	64.7	1.0	13.9						
Health Services	136.5	136.0	134.5	0.4	1.5						
Private Education	25.1	25.2	24.8	-0.4	1.2						
Soc. Serv., Museums etc.	92.5	91.8	86.9	0.8	6.4						
Government	300.3	302.3	296.0	-0.7	1.4						
Federal	31.7	31.6	30.4	0.5	4.4						
State	73.4	76.2	74.7	-3.6	-1.7						
Local	195.2	194.6	190.9	0.3	2.2						

^{1/} Totals may not add because of rounding.

^{2/} Includes Scientific Instruments and Miscellaneous Industries.

Labor Force Data: State, SMSAs, and Counties

Area or County	December, 1984 Prelim.			Area or County	December, 1984 Prelim.		
	Labor ^{1/} Force	Unemp.	Un. Rate		Labor ^{1/} Force	Unemp.	Un. Rate
State of Minnesota	2227170	151007	6.8	Lake	4230	703	16.7
Metropolitan Areas				Lake of the Woods	1913	204	10.7
Duluth/Superior (Duluth City Only)	33642	2651	7.9	Le Sueur	11136	1171	10.5
Fargo/Moorhead (Clay County, MN Only)	27694	1597	5.8	Lincoln	3576	304	8.5
Minneapolis/St. Paul SMSA ^{2/}	1244761	57609	4.6	Lyon	15817	1115	7.0
Rochester SMSA ^{3/} (Olms ted Co.)	59846	2969	5.0	McLeod	16873	1315	7.8
St. Cloud SMSA ^{3/}	80795	7276	9.0	Mahnomen	2808	361	12.9
Counties				Marshall	6126	965	15.8
Aitkin	5378	1008	18.7	Martin	13561	904	6.7
Anoka	118515	6130	5.2	Meeker	10445	960	9.2
Becker	12108	1477	12.2	Mille Lacs	9274	973	10.5
Beltrami	16855	1690	10.1	Morrison	12707	1598	12.6
Benton	12531	1189	9.5	Mower	17654	1174	6.7
Big Stone	3852	324	8.4	Murray	5751	533	9.3
Blue Earth	28887	1705	5.9	Nicollet	14846	854	5.8
Brown	14744	1143	7.8	Nobles	11737	838	7.1
Carlton	11974	1352	11.3	Norman	4368	337	7.7
Carver	22203	961	4.3	Olms ted	59846	2969	5.0
Cass	10181	1358	13.3	Otter Tail	24261	2562	10.6
Chippewa	7403	739	10.0	Pennington	6280	691	11.0
Chisago	15855	1109	7.0	Pine	9645	1283	13.3
Clay	27694	1597	5.8	Pipestone	5748	315	5.5
Clearwater	4031	919	22.8	Polk	17200	1509	8.8
Cook	2149	249	11.6	Pope	5205	452	8.7
Cottonwood	7098	547	7.7	Ramsey	275691	12052	4.4
Crow Wing	17602	2115	12.0	Red Lake	2201	425	19.3
Dakota	117390	6087	5.2	Redwood	10284	683	6.6
Dodge	8147	770	9.5	Renville	11203	1156	10.3
Douglas	13601	1169	8.6	Rice	23467	1822	7.8
Faribault	10626	737	6.9	Rock	5454	245	4.5
Fillmore	12085	1115	9.2	Roseau	6201	675	14.1
Freeborn	17419	1300	7.5	St. Louis (Inc. Duluth)	88993	14787	16.6
Goodhue	20245	1427	7.0	Scott	26830	1724	6.4
Grant	3365	279	8.3	Sherburne	14893	1425	9.6
Hennepin	563490	23689	4.2	Sibley	8026	719	9.0
Houston	10028	708	7.1	Stearns	53371	4662	8.7
Hubbard	5843	791	13.5	Steele	16597	1171	7.1
Isanti	10964	943	8.6	Stevens	5704	418	7.3
Itasca	18071	2781	15.4	Swift	6221	723	11.6
Jackson	7571	412	5.4	Todd	10847	1067	9.8
Kanabec	5584	825	14.8	Traverse	2683	229	8.5
Kandiyohi	18499	1521	8.2	Wabasha	9378	903	9.6
Kittson	3297	318	9.6	Wadena	5366	537	10.0
Koochiching	7780	887	11.4	Waseca	8812	651	7.4
Lac qui Parle	5544	448	8.1	Washington	68178	3057	4.5
				Watons wan	6509	428	6.6
				Wilkin	4115	320	7.8
				Winona	22707	1642	7.2
				Wright	36609	2800	7.6
				Yellow Medicine	7214	564	7.8

Technical Notes:

^{1/} Labor force data is computed according to BLS methodology. The method includes an adjustment to assure that the sum of the substate areas equals the separately estimated State total. This adjustment is Applied to all county and SMSA areas. County and area unemployment was multiplied by an adjustment factor of 1.44; employment was multiplied by 1.02. For a more detailed explanation see the Review of Labor and Economic Conditions, Vol. 4, No. 4, (February 1978 issue), p. 29.

^{2/} Anoka, Carver, Chisago, Dakota, Hennepin, Ramsey, Scott, Washington, and Wright Counties.

^{3/} Benton, Sherburne, and Stearns Counties.

Selected Minnesota Program Statistics

Characteristics of the Insured Unemployed

Tables 1 and 2 provide data on persons who filed a claim for unemployment compensation in Minnesota during the month. Only those claiming benefits from the regular State program are represented since data on the characteristics of Federal employees and veterans are not available.

In December the number of claimants for unemployment benefits rose by a strong 19,917 or 63.7 percent. The December percentage gain compares with an average rise of 50.6 percent between November and December over the past six years. Claimants in mining climbed almost three times as much in percentage terms as they normally do in December as a result of the recent layoffs at taconite plants. The number of claimants in construction and manufacturing also increased faster than usual in December. Moreover, seasonally adjusted data showed that total claimants rose for the second consecutive month in December. On an over-the-year basis, the total number of claimants exceeded the year earlier level for the first time since February 1983. The over-the-year gain was 1,653 or 3.4 percent and was almost totally the result of a very large rise among claimants in the mining industry.

Table 1. Distribution of Insured Unemployed, By Age and Sex, December, 1984

Age Groups	Number	Percent Distributions		
		Men of Totals	Men of Men	Women of Women
TOTALS	50415	76.8	100.0	100.0
Under 45	39094	77.6	78.4	74.7
Under 25	9781	77.5	19.6	18.8
25-34	18864	78.8	38.4	34.2
35-44	10449	75.7	20.4	21.7
45 and Over	11321	73.8	21.6	25.3
45-54	6563	74.6	12.7	14.2
55 and Over	4758	72.7	8.9	11.1

Job Service Applicant Supply and Demand

Table 3 compares Job Service (J.S.) job applicants with the J.S. job openings that existed at the end of the month. These comparisons are expressed as supply/demand ratios. Other things being equal, the greater the ratio of applicants to openings, the greater the competition has been for work within that occupational category. To put these ratios into context, the reader must remember that not only do job seekers and employers in general find jobs or recruit workers through other means, but those interested in certain kinds of jobs are particularly unlikely to use the J.S. For example, workers seeking professional and Managerial jobs are least likely to use the J.S., whereas employers usually recruit construction workers through union halls and hire teachers directly. Thus, the main value of Table 3 is that it reflects, for broad occupational groups, the relative labor market conditions that those using the J.S. encountered when seeking work.

Table 2. Distribution of Insured Unemployed By Industry and Occupation, December, 1984

Industry and Occupational Attachment	Number	Percent of Total	Percent Long-Term ^{1/} Unemployed	Women as Percent of Total
Total, All Industries	50415	100.0	9.5	23.2
Ag., For., Fish.	1614	3.2	2.3	11.0
Mining	5216	10.3	1.4	4.0
Construction	13504	26.8	1.5	3.3
Manufacturing	12004	23.8	13.4	33.7
Pub. Utilities	2094	4.1	11.0	13.6
Wholesale Trade	2872	5.7	15.7	22.0
Retail Trade	4116	8.2	15.4	39.4
Fin., Ins., Real Est.	1212	2.4	26.1	58.8
Services	5832	11.6	19.2	51.9
Public Admin.	1155	2.3	7.6	34.0
Inf. Not Available	796	1.6	1.6	19.8
Total, All Occupations	50415	100.0	9.5	23.2
Prof., Tech., Mgr.	4566	9.1	25.4	40.8
Clerical	3684	7.3	21.7	80.4
Sales	1448	2.9	20.3	31.3
Services	2969	5.9	15.7	58.9
Farm., For., Fish.	1466	2.9	1.7	13.8
Processing	1562	3.1	13.0	31.9
Machine Trades	2767	5.5	13.4	13.5
Benchwork	4429	8.8	11.3	53.2
Structural Work	15086	29.9	2.6	2.4
Misc.	12116	24.0	4.6	6.8
Inf. Not Available	322	0.6	26.8	41.5

^{1/} Long-Term unemployed refers to unemployment insurance claimants whose current spell of unemployment has lasted 15 weeks or longer.

Table 3. Experienced Supply/Job Openings Demand^{1/}

Occupation	Applicants (Supply) Dec., 1984	Job Openings (Demand) Dec., 1984	Supply/Demand Ratio	
			Dec., 1984	Dec., 1984
Total				
Prof., Tech., Mgr.				
Clerical				
Sales				
Dom. Services				
Other Services				
Farm., Fish., For.				
Processing				
Machine Trades				
Benchwork				
Structural Work				
Mtr. Frt., Trans.				
Pkg. & Mat. Hndlg.				
Other				

^{1/} Inexperienced and improperly coded job applicants are not included in this table.